

Congress of the United States
U.S. House of Representatives
Committee on Small Business
2301 Rayburn House Office Building
Washington, DC 20515-6515

May 22, 2019

The Honorable Robert Lighthizer
United States Trade Representative
Office of the United States Trade Representative
600 17th Street NW
Washington, DC 20508

Dear Ambassador Lighthizer:

We write to express our concern regarding the Administration's escalating trade war with China. While we support your goal of establishing a fairer playing field for American companies abroad, we remain concerned that the recent escalations will deal undue harm to our small businesses and their employees here at home. We urge you and the Administration to stop imposing additional tariffs and move strategically on finding a resolution that supports our small domestic employers and workers.

The nation's small businesses are the backbone of our economy. They collectively employed nearly 60 million Americans in 2016 and created 1.8 million net new jobs.¹ Many of these jobs are directly or indirectly engaged in exporting American goods and services abroad. According to the latest figures, 280,229 small businesses engaged in exporting in 2016 with many exports going to China and other key trade partners.² These small companies generated a third of the America's \$1.3 trillion in total exports for that year and they are the ones that will be directly impacted by additional tariffs.

Escalating tensions with one of our top trade partners creates by utilizing tariffs as a sledgehammer, rather than a scalpel creates needless uncertainty and instability for our economy, workers, and small businesses. Adding further tariffs on Chinese goods will be particularly burdensome and detrimental to small farms in rural America that are already feeling the brunt of the retaliatory tariffs imposed by the Chinese government. Prices for many agricultural products have dropped as a result of heightened trade tensions, raising the prospects of increased farm bankruptcies in the coming years. Raising tariffs on all remaining imports from China, which are valued at \$300 billion, without a thoughtful strategy, will only punish small businesses

¹ 2019 Small Business Profiles for the States and Territories, SBA's OFFICE OF ADVOCACY(2019), <https://advocacy.sba.gov/2019/04/24/2019-small-business-profiles-for-the-states-and-territories/> (last visited May 14, 2019).

² *Id.*

purchasing Chinese products as part of their supply chain and will ultimately be felt by consumers as an unnecessary tax.

Our goal is clear: support American small businesses that export goods to China, while establishing a fairer playing field for American companies looking to access markets abroad. We urge you and the Administration to stop imposing additional tariffs and move strategically on finding a resolution that supports America's small employers, farmers, and working families. The alternative is higher trade barriers all around, and decreased economic growth with local businesses, their workers, and consumers paying the cost of a trade war.

We appreciate your attention into this matter and look forward to working with you on trade policies that bolster American small businesses, farmers, and workers. If you have any questions regarding this request, please contact Gerardo Bonilla, Senior Economic Advisor to the Committee for the Majority at (202) 225-4038.

Sincerely,



Nydia M. Velázquez
Member of Congress



Sharice L. Davids
Member of Congress



Angie Craig
Member of Congress



Jason Crow
Member of Congress



Antonio Delgado
Member of Congress



Dwight Evans
Member of Congress



Adriano Espaillat
Member of Congress



Marc Veasey
Member of Congress



Chrissy Houlahan
Member of Congress



Abby Finkenauer
Member of Congress



Bradley S. Schneider
Member of Congress